

# Lowering Prescription Drug Costs



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**What those  
with Medicare  
need to know**

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## SHIBA

The Senior Health Insurance Benefits Advisor Program (SHIBA) is sponsored by the Idaho Department of Insurance. SHIBA has FREE services to help consumers. Contact SHIBA for

- Objective information about Medicare and related health insurance issues, including long-term care insurance.
- Trained insurance counselors available statewide to meet with individuals and provide confidential assistance.

## Medication costs

The cost of prescription drugs can create a serious financial burden. How to solve this problem is a growing issue. Until there is a solution, consumers need to know how to get the most from what is available.

Medicare coverage for self-administered prescription drugs is limited to those taken after a transplant and to those used to counter the effects of cancer treatments. Other insurance coverage can be a good solution, but it is not available to everyone. Assistance programs help, but you must have limited income and resources to qualify.



## Ask questions, shop around

- You may be able to save some money by using generic drugs instead of brand name drugs. Your doctor or pharmacist can tell you if there is a generic drug substitute for a brand name drug.
- Drug costs can vary significantly between competing pharmacies. Save money by price shopping between pharmacies. Ask your current store if they offer a senior discount.
- Ask the pharmacist to print out the retail prices for all your current medications. Knowing how much the drugs cost will help you decide whether a new option will really save money.
- Can your doctor give you free samples?
- After checking several pharmacies, it is **generally best to decide on one** for all your prescription needs. The pharmacy will keep a record of all the medications you are taking. You can be alerted if you have been prescribed medications that do not work well together.

## Consumer protection resources

It is a "Buyer Beware" market. Consumers must decide if choices are legitimate and will help them save money. Before making a decision about any program, be sure you understand what it is and how it will work for you.

## State of Idaho Attorney General (1-800-432-3545)

This agency monitors activity in the state as it affects consumers. Check with the agency's Consumer Protection Division before doing business with someone you do not know or after you have had a bad experience. The agency can tell you if

- Complaints have been received.
- Law violations have been found.
- Actions have been taken to punish those who broke the law or to prevent further unacceptable activity.
- Remedies are available to help you recover any losses you have incurred.

## 1 Insurance Options With ■ Drug Benefits

### ✓ *Employer Group Health Insurance Plans*

Benefits through current or former employment often include prescription drug coverage. There is no standard design for employer-based benefits, and the plans are not regulated by the Idaho Department of Insurance. A plan can have its own list of covered drugs and emphasize the use of generic drugs. You may pay a set co-payment or a percentage of the cost, and a generic may be less than brand name drugs.



Employers can change benefit plans and sometimes end them.

### Evaluating an Employer Benefit Plan

Employer benefit plans often have better coverage than you can get on your own. First, look at how the drug coverage will benefit you. Take your expected drug costs and estimate how much the plan will pay. Consider how much you pay for the plan, and the other benefits it provides.

The decision to drop an employer plan must be considered carefully. Once you have dropped a plan, you probably will not be allowed to get it back.

### ✓ *Medicare Managed Care Plans*

Medicare managed care plans may offer prescription drug coverage. This benefit usually requires a co-payment from you and has an annual limit on how much the plan will pay. Compare your plan premium to how much you will save on medicines.

### ✓ *Medicare Supplement Policies* What is available?

The standard Medicare supplement insurance plans H, I and J have a limited prescription drug benefit. Premiums for these plans are substantially higher than for non-drug plans. Plans are guaranteed renewable, which means they cannot be cancelled as long as premiums are paid.

You have a six-month open enrollment period when you are first on Medicare Part B at age 65 or over. During this

period, a company cannot turn you down for any Medicare supplement plan it sells. After the open enrollment period, you probably will not be able to buy an H, I or J plan if you are already taking prescription drugs.

### How does the benefit work?

You are responsible for a \$250 deductible before benefits are paid. The insurance plan then pays 50%, and you pay 50% of the prescription cost. Plans H and I will pay maximum benefits of \$1,250 per year. Plan J will pay \$3,000 per year.

### Evaluating Supplement Drug Benefits

Do plan benefits justify the additional premium? Do the following calculation to compare.

**Decision?** Compare the extra premium on line 1H to the benefit on line 1E.

- Is paying the extra premium worth it to you?



- Do you want to buy a drug plan now for potential drug needs later on?

## 2. Military

### ✓ Retired Military

**TRICARE-For-Life** is a health insurance plan that supplements Medicare and includes the **Senior Pharmacy Program**. You pay no premium to participate in either program.

TRICARE-For-Life pays Medicare deductibles, coinsurance and excess charges. The Senior Pharmacy Program provides low-cost prescriptions from military health facilities, National Mail Order Pharmacy, TRICARE network pharmacies and retail pharmacies.

If you were 65 before April 1, 2001 and want to use only the Senior Pharmacy program, you do not have to be en-

Benefit Calculation	Plan H or I	Plan J
A. Your monthly drug charges x 12 months		
B. Subtract the annual deductible	-\$250	-\$250
C. Balance (A - B)		
D. Balance from C x 50%		
E. Benefits paid by H or I: Enter lower amount -- line D or \$1,250 (the maximum plan benefit) Benefits paid by J: Enter lower amount -- line D or \$3,000 (the maximum plan benefit)		
F. Annual premium for plan with drug benefits		
G. Annual premium for plan you are considering without drug benefit		
H. Additional premium for drug plan (F - G)		

rolled in Medicare Part B. However, you must have **Medicare Part A and Part B** to participate in both TRICARE-For-Life and Senior Pharmacy Program.

### Eligibility

- Medicare-eligible military retirees (retirees are those who had **20 or more years** of active duty service.)
- Retirees' Medicare-eligible spouses and survivors 65 and older
- Certain former spouses
- Reservists and guardsmen who draw reserve retired pay, their spouses and other eligible family members will be eligible when they become 65.

### ✓ *Veterans Administration (VA)*

All veterans, regardless of category or financial need (unless dishonorably discharged), can participate in this program. You must visit a VA doctor for a prescription and pay a co-payment for the visit. You pay a small co-payment for each prescription. Refills can be obtained by mail order. Contact your nearest VA center or call toll-free 1-877-222-8387.

## 3. Discount and Savings Programs

These ARE NOT insurance plans. The state insurance laws and the Idaho Department of Insurance have no authority over them. The Attorney General's office can review any complaints about these programs.

Programs that promise to lower prescription drug costs come from a variety of sources such as insurance companies, drug stores and private organizations. Offers come in the mail and are advertised on TV or in newspapers and magazines. Insurance companies include offers of a discount card along with an insurance policy they are trying to sell you. Programs may offer more than they can deliver. Some of them may not help you at all and others are just outright scams. Many come onto the market with a flurry of activity, then leave quickly.

### Ask questions first:

- Who offers this program?
- Is there a toll-free number to call?
- Have any complaints been filed against this plan? (Check with the Attorney General's office.)



### What are the benefits?

- Will prescriptions for pre-existing conditions be covered?
- Are drugs provided through a mail order service, walk-in pharmacy or both?
- Will the program cover generic drugs, brand name drugs or both?
- Does the program cover the drugs you are taking?
- What drugs are not covered?
- Will this program work for someone who is in a nursing home?



- If you have other drug benefits, will this program work with them?
- Do you have to buy your drugs at a participating pharmacy? Get a list of the pharmacies before you enroll.
- Can you get price quotes for drugs before you buy? Ask for a list from the program, or check with your pharmacist.

### **American Association of Retired Persons (AARP) Pharmacy Service**

AARP has a mail order pharmaceutical program for persons of all ages. There is no membership fee and you do not have to belong to AARP to utilize this service.

A separate "Member's Choice Plan" is available for AARP members only. There is a \$15 yearly membership card. This plan gets "preferred pricing" over the above plan and also on purchases from some local pharmacies, as well as mail orders.

On mail orders, there is a \$2.25 shipping charge per order (not item). Shipping takes 7-10 days. A registered pharmacist is available for questions 24 hours a day, 7 days a week.

Contact the AARP Pharmacy Service at 1-800-456-2277 to place orders and to obtain three price quotes: one for brand name, one for generic and one for quantity purchase. These quotes, however, many NOT be the lowest price available. Check with local pharmacies to compare prices.

## **4. Foreign Sources**

Some people buy drugs from foreign countries, especially Canada and Mexico. People bring drugs back to the U.S. after traveling to foreign sites, and drugs are ordered over the Internet or through mail order sources.

Website information:

### **Canada**

[www.tcds.com](http://www.tcds.com) (1-888-372-2252)

Shipping fee \$5/per medication

[www.canada.meds.com](http://www.canada.meds.com) (1-877-542-3330)

Shipping fee \$19.99 per package

[www.canadarx.com](http://www.canadarx.com) (1-866-262-2174)

Shipping fee \$19.99 per package

- Must mail or fax the prescription from a U.S. doctor.
- Shipping charges should be figured in total cost of medications. Will money be saved over local pharmacies?
- Order may take 1-3 weeks.

### **Mexico**

[www.Meds.Mex.com](http://www.Meds.Mex.com)

Shipping fee \$10 per order

### **Traveling to Canada**

- A current prescription from U.S. doctor is required.
- Contact a pharmacy in Canada to be sure they have amount available to fill prescription for a possible 6-month supply.
- Contact a Canadian physician for an appointment. The doctor's exam is

usually very brief and is just to verify the need for medications prescribed by a U.S. doctor. The usual fee is \$30 U.S. funds in cash.

- Have proper identification for everyone in vehicle when entering Canada, such as proof of U.S. citizenship either with birth certificate, passport or citizenship papers.
- Canadian officials usually will ask a person's birthplace, whether there are any firearms in vehicle, if you have prior arrests and your destination.

### **Traveling to Mexico**

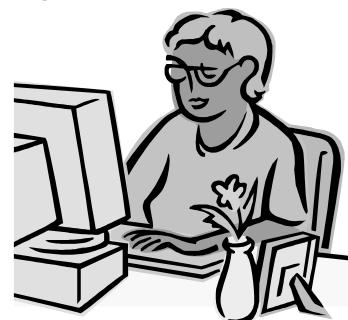
- Some people, while wintering in Arizona or California, cross the border and buy prescription medications over-the-counter at considerable savings.
- A doctor's prescription may not be necessary.

Although some foreign sources may be less risky than others, there's one important thing you need to know ó when getting drugs from a source outside the United States there is little the U.S. government can do if you do not get what you expect.

Learn about any customs laws that apply to drugs bought outside the U.S. or to drugs being brought into the country. Rely on good medical advice and prescriptions from a reliable doctor before considering a foreign purchase.

## **5. Internet Shopping**

Hundreds of drug-dispensing websites are in business. It is very easy to set up a site that looks professional and makes great promises. How can you tell which sites are legitimate, safe for you to use and help you save money?



According to the Food and Drug Administration (FDA), the first

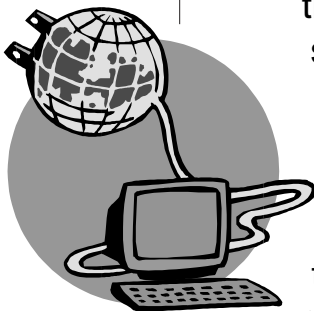
thing to do is check with the National Association of Boards of Pharmacy (NABP) through their website [www.nabp.net](http://www.nabp.net) or by calling 847-698-6227. The NABP information will tell you if a website pharmacy is licensed and in good standing. Consumers who suspect that a site isn't legitimate can report it to the FDA.

The NABP developed the Verified Internet Pharmacy Practice Sites (VIPPS) program to certify that a pharmacy complies with certain standards and identifies the states in which a pharmacy is licensed. The VIPPS seal is not an endorsement or a guarantee.

A pharmacy that meets the VIPPS standards will display the VIPPS seal on its website. Clicking on the seal will take you to information about the pharmacy including the states where it is licensed.

## Potential risks with the Internet

- Receiving fake, substandard unapproved, outdated products or no products at all.
- Getting an incorrect diagnosis when you do not have a face-to-face exam, or you deal with someone who is not a doctor.
- Obtaining an inappropriate medicine which may not be correct for your condition, interferes with other drugs you take or may be the wrong dosage.



## The FDA suggests avoiding sites that do the following

- Prescribe a drug for the first time without a physical exam.
- Sell a prescription drug without a prescription or sell a drug that is not approved by the FDA.
- Do not have access to a registered pharmacist to answer questions.
- Do not identify themselves.
- Do not have a U.S. address and phone number to contact if there is a problem.
- Feature undocumented claims about drugs, promote "amazing" cures or announce conspiracies to keep a product off the market.

# 6 ■ Assistance Programs

## ✓ *Prescription Drug Patient Assistance Programs*

Many drug companies provide free or low-cost prescription medicines to doc-

tors whose patients cannot afford them. The Pharmaceutical Research and Manufacturers of America or **PhRMA**

([www.phrma.org](http://www.phrma.org)) is an organization representing these companies and has a directory of the drugs provided through this program. If a particular medication is not listed, it may not be available under this program or may not be manufactured by a company belonging to PhRMA.

- Call SHIBA for local resources who will help access programs for free.
- Ask your pharmacist what drug company makes the drug you are prescribed. Check with the drug company for any special program they may have.
- Other sources of information about many of these programs, including telephone numbers for the drug companies, are found on the Internet at [www.needymeds.com](http://www.needymeds.com) or [www.rxassist.org](http://www.rxassist.org).

## ✓ *Prescriptions for Free*

PFF will provide you with the applications and assist with the application process to access the Prescription Drug Patient Assistance Programs for each individual company - \$20.00 for the initial prescription, \$10.00 per additional prescription and \$10.00 per reorder prescription. PFF services Southwestern Idaho counties. For more information call 376-2114.



### ✓ *The Medicine Program*

The Medicine Program provides assistance to individuals seeking help with the application process of the PhRMA Patient Assistance Program mentioned above. This assistance is not free. A \$5.00 processing fee is charged for every drug application. For more information, contact the Medicine Program at (573) 996-7300 or via the Internet at [www.themedicineprogram.com](http://www.themedicineprogram.com).



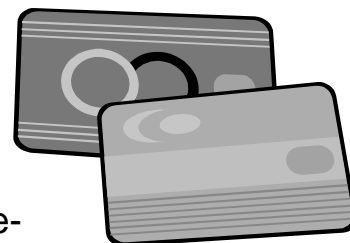
### ✓ *Medicaid*

Medicaid is a state program for those with limited income and resources which includes prescription benefits. Contact your local Health and Welfare office to determine eligibility.

## 7. Prescription Discounts from Pharmaceutical Companies

Recently several major pharmaceutical companies have implemented discount plans to help Medicare beneficiaries purchase prescription drugs.

The Medicare beneficiaries must apply. If they meet the criteria they will be issued a card to use at any pharmacy. Basic requirements are:



- U.S. citizenship
- Medicare participant
- No prescription coverage or access to a government program
- Gross income below the qualifying amount
- Must present proof of gross income

PHARMACEUTICAL COMPANY	PHONE NUMBER	ANNUAL INCOME	CO-PAY OR DISCOUNT
Eli Lilly and Company Lilly Answers	1-877-795-4559	\$18,000 Individual \$24,000 Couple	\$12 for a 30-day supply
GlaxoSmith Kline Orange Card	1-888-672-6436	\$26,000 Individual \$35,000 Couple	30-40% of retail price
Novartis Care Card	1-866-974-2273	\$26,000 Individual \$35,000 Couple	25% of retail price
Pfizer Share Card	1-800-717-6005	\$18,000 Individual \$24,000 Couple	\$15 for a 30-day supply
Together Rx	1-800-727-5400	\$28,000 Individual \$38,000 Couple	20-40% of retail price

## 8. Other Sources

### ✓ *Specified Disease Sources*

Many serious diseases have related state and national organizations, such as the American Cancer Society, and support groups. They are a resource for information about the medications and assistance programs that might help you. If you do not know about groups related to your needs, check with your local healthcare provider or browse the Internet.

### ✓ *Local Sources*

In some communities civic organizations, churches and other groups may support a special program. Find out about these sources by contacting local health facilities or community groups. Another good source of information about programs is the Area Agency on Aging (877-471-2777) serving your area.

## 9. Helpful Strategies

### ✓ *Consider these points*

- Are you required to wait for a specific period of time before you can get a prescription refilled? For example, you may not be able to get more until 20 days before your current supply should run out.
- Is there a limit on how much you can buy at one time?
- Understand any additional charges. Is there a flat fee for dispensing each prescription or for a total order? What are the shipping and handling charges?
- Use a credit card instead of a debit card. The federal Fair Credit Billing Act gives you important protection if you have a problem or do not receive what you order when you use a credit card.



### Please Note

This guide has been produced to educate and assist consumers who are concerned about the coverage and costs of prescription drugs. The Idaho Department of Insurance SHIBA Program does not recommend or endorse any particular company or program.

The Senior Health Insurance Benefits Advisors (SHIBA) Program is a FREE, unbiased information, counseling and assistance program sponsored by the Idaho Department of Insurance.

SHIBA has consumer materials and trained insurance counselors to help you get the answers and assistance you need when you have questions about:

- Medicare benefits and claims
- Medicare choices
- Medicare supplement insurance
- Long-term care insurance
- Other types of health insurance sold to Medicare beneficiaries

# SHIBA

## SENIOR HEALTH INSURANCE BENEFITS ADVISORS

### REGION 1

Penny Wilhelm  
Department of Insurance  
Regional Coordinator  
2005 Ironwood Parkway, Suite 143  
Coeur d'Alene, ID 83814  
pwillhelm@doi.state.id.us  
1-800-488-5725

Ken Hurt

Insurance Advisory Specialist

334-4350

khurt@doi.state.id.us

*Over 400 Volunteers  
Serving all of Idaho!*

### REGION 2

Karen Clark  
Department of Insurance  
Regional Coordinator  
700 W. State Street  
Boise, ID 83720  
kclark@doi.state.id.us  
1-800-247-4422

### REGION 3

Tamara Stricker  
Department of Insurance  
Regional Coordinator  
1445 Fillmore, Suite 1104  
Twin Falls, ID 83301  
tstricke@doi.state.id.us  
1-800-488-5731

### REGION 4

Susan Stricker  
Department of Insurance  
Regional Coordinator  
611 Wilson Street, Suite 3A  
Pocatello, ID 83201  
sstricke@doi.state.id.us  
1-800-488-5764

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MARY L. HARTUNG, DIRECTOR  
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